

NSC BRIEFING

21 December 1954

SOVIET REACTIONS TO GERMAN REARMAMENT

- I. Prime goal of Soviet foreign policy is to prevent agreement on West German rearmament:
 - A. Here Soviet faces loss of first round.
 - B. This loss could force Soviet re-examination "soft" policy--might lead to more vigorous action. Further, they ^{WILL} have lost "face" by failure to block ratification of Paris Agreements.
 - C. Hence, in period ahead, unusual vigilance required.
 - D. Soviet realize ratification is not rearmament:
that will be 2-3 years between ratification and any substantial German military force in being.

E. Timing of Soviet action will depend upon their judgment as to course which will both maintain their prestige and prevent ultimate German rearmament within NATO Alliance.

II. In attempt prevent ratification Paris Agreements, Moscow has made series public threats:

A. To strengthen Soviet Bloc's own war machine (this may be effected propaganda-wise by budget-juggling).

B. To continue indefinitely division of Germany, occupation of Austria.

C. To scrap both Franco-Soviet and Anglo-Soviet treaties (military assistance against German aggression). *later Threat VS*

C *Get Troops out of Tyrol*
D To refuse further negotiation with West.
E

III. These out-in-open steps have been coupled with vigorous private pressures.

- A. Direct private pressure on French and Austrian ambassadors; soft words to Yugoslavs, Indonesians, Burmese, others.
- B. Widespread Soviet intrigue among French deputies.
 - 1. In particular, French Senator Leo Hamon told SPD leader Ollenauer that Mendes-France was actually against Paris Agreements, would approve resolution for 2-year delay implementation, pending possible negotiation with USSR.
 - 2. (See DeGaullist resolution, info--being checked) .

IV. Possible Soviet will make moves after ratification in order show they not bluffing and to alert waverers (particularly in France and Germany) to consequences German rearmament. Such moves include:

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- A. Restrict border crossings between West and East Zone Germany and between Western and Eastern sectors Berlin.
- B. Put pressure on Austria (note AM press).
- C. Possible Communist attempts foment political strikes in France.
- D. Break off disarmament negotiations.
- E. Renewed propaganda attack on US "atomic invasion" of Europe and on use of American bases for atomic warfare. *[Note to Britain referred to Atom danger to densely pop. areas.]*
- F. Increase pressures on Finland.
- G. Increase Soviet support of Chicom belligerency.

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V. In contrast these possibilities, [REDACTED]

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[REDACTED] believes that, as last gasp to prevent ratification, Soviet will formally propose -

- A. Conclusion Austrian treaty on basis Western proposals at Berlin Conference.

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- B. Reunification Germany plus free elections, without prior withdrawal occupation forces.
- C. In exchange, abandonment German rearmament (Germany allowed only border guards and police force and forbidden to join any military or economic bloc prior 1999).
- D. Establishment all-European security system, including USA, with guarantee of neutralized Germany.

VI. Even if Soviet continues "soft" line in Europe, may nevertheless back Peiping's "tough" line in Asia, aimed first at US, secondarily at UK.

- A. This indicated by Kremlin's support of Chicore Formosa.
- B. Can also expect propaganda exploitation of Hammarskjold Peiping mission, including:
 - 1. Piracy charges;
 - 2. Inquiry on UN disposition of POW's from

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C. On active side, can expect:

1. continued harrassment offshore islands;
2. increased aid to Viet Minh.

D. In contrast this "tough" line, Bloc will
continue cultivation of Japan, India, Burma,
Indonesia.

VII. All in all, this time to be ready for surprises -
but probably no immediate danger of Soviet
action which would lead to war.

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